



March 31, 2014

Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Dear Sir/Madame,

I am writing today in response to the FCC's Public Notice (PN): Wireline Competition Bureau Seeks Focused Comment on E-Rate Modernization which, among other things, examines how to distribute \$2 billion in found funding for the E-Rate program. The E-Rate program currently represents the only source of federal funding aimed at educational technology and it critical in providing discounts to assist schools like the **47 members of the Indiana Small and Rural Schools Association** to obtain affordable telecommunications and internet access.

Our members range from districts of 414 students in small rural settings to 4646 students in a rural county-wide system. Most of our school districts fall below the family income levels to participate in the Title I program. The connections which allow our schools to make through E-Rate support bringing outside experiences to students who may not have had the opportunity to travel even shorter distances to major cities and towns, much less the world. When in elementary and high school in the 1960s and 1970s, my experiences of the world were limited to the photos in my textbook and the World Book encyclopedia. Today, the Internet brings action and just-in-time experiences to our small and rural school students. The students connect with other students for nationally recognized projects, can conduct their own research, and much, much, more.

These connections and opportunities also allow for expansion of computer labs, which are now the way our state testing is accomplished as well as help connect our school and local libraries to the world for our students and their families.

As the FCC moves forward with this PN, the Indiana Small and Rural Schools Association urges you to ensure that changes to modernize the program are focused on expanding a successful program that has yet to reach its full potential. E-Rate has served as the cornerstone to the rapid and dramatic expansion of school and library connectivity. The current program, while needing some marginal updates to its structure, is most strained by increasing demand for E-Rate-supported services and persistently low funding. The single most effective step the FCC can take to bolster E-Rates current and future success is to provide \$5 billion in funding, an amount commensurate with current demand. The final proposal must include both programmatic restructuring and a permanent increase in the program's funding cap. Quite simply, an infusion of funding without programmatic restructuring is a poor investment, and programmatic restructuring without permanent, adequate funding sets the program on a path towards instability and failure.

The \$2 billion (over two years) in found funding for E-Rate is a strong step in the right direction, as is focusing the funds on Priority Two (internal connections). Connectivity is an annual expense, though, and we are concerned that the proper focus on modernization and build out will come with sustained increased program demand that far exceeds the current program funding level and the inevitable funding cliff that will come when the \$2 billion is spent down. In fact, the most recent application cycle for E-Rate (closing March 26, 2014) totaled more than \$2.225 billion for one year, already exceeding the \$2 billion the FCC proposes for two years.

It is the hope of the Indiana Small and Rural Schools Association that the final changes to the E-Rate program position to program to continue to fulfill its original promise of connectivity in the broader context of equity, local decision making, and technological neutrality.

More specifically to the FCC's proposal, we:

- **Support technological neutrality:** Technological neutrality (allowing a variety of technologies as opposed to prescribing a limited number) and local decision-making are an efficiency: Local school system and library leaders are best positioned to know their respective technological needs, the process for implementing the technology plan, and the related costs. Tech neutrality and local decision making empower districts like mine to maximize the benefit of E-Rate dollars, for connections both *to* and *within* schools and libraries.
- **Oppose any effort to set aside a specific portion of E-Rate dollars for Priority Two:** The concept of a carve out/set aside for Priority Two sets up the very real threat of 'robbing Peter to pay Paul', whereby the set aside for Priority Two would encroach on Priority One, leaving both priorities to be rationed.
- **Oppose any proposal that would distribute E-Rate funding on the basis of a per-capita (ie, per-student) basis:** Beyond an inability to recognize high-cost service factors that often impact rural and small schools, a per-capita approach is a step away from E-Rate's historical focus on equity. As both AASA and AESA wrote in their comments, "Concentration of poverty is reflected in the percentage of eligibility, as opposed to a straight count of students in poverty. That is, 100 low-income students in a district of 1,000 students is a different level of poverty than 100 low-income students in a district of 10,000. Specific to the idea of a per pupil cap: With a historic focus on concentrations of poverty, the very act of diluting funding to a pupil (or class, or building) level is antithetical to combating concentrations of poverty. It reflects the presence, but not necessarily the concentration, of poverty. Per capita limits are poor proxies for ensuring that funds remain targeted on the neediest populations."
- **Support Streamlining Administrative Process:** Streamlining of the administrative process including online filing and reduced administrative burden<sup>1</sup>, as well as allowing for multi-year applications and providing an 'EZ' renewal form for applicants making no changes to a previous year's application.
- **Support Voice Services:** Voice remains an important E-Rate service for schools and libraries. Removing voice services from the eligible services list does not negate my district's very real need for working phones, for everything from simple contact to emergency communication. The shift would translate into increased fiscal pressure on my district's budget.
- **Oppose demonstration projects within E-Rate funding:** Any of the pilot projects siphon limited dollars away from the historically oversubscribed E-Rate program. Any incursion on the E-rate program – whether it be from a new service, a new class of applicants, or a new program (as the proposed pilot would be) – would significantly destabilize the program.

Thank you for considering our response as you move forward with your decision on the E-Rate program. We applaud the FCC for its continued efforts to protect the already oversubscribed E-Rate program by ensuring the future of this successful program. We urge you to support significant increased funding for the E-Rate program, and to ensure that the program and its limited resources are protected and preserved.

Sincerely,

J. Scott Turney, Executive Director  
Indiana Small and Rural Schools Association